

Associational life and local development in two Nicaraguan villages

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Civil society organizations are often seen as repositories of social capital, and their existence is taken as evidence that the dilemma of collective action has been resolved and that there is a willingness to trust, share and cooperate. Thus, attitudes and structures are seen as two complementary elements in the social capital debate. This article suggests that attitudes and structures are not always matched. Research carried out in two Nicaraguan villages shows that there is a major contradiction between the structure of associational living and the structure of social capital at the local level. Rather than being agents of social transformation, organizations tend to institutionalize local divides in the form of social, political or economic segregation.

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I

The role of civil society, social capital and development policies

Your corn is ripe today; mine will be so tomorrow. 'Tis profitable for us both, that I should labour with you today, and that you should aid me tomorrow. I have no kindness for you, and know you have as little for me. I will not, therefore, take any pains upon your account; and should I labour with you upon my own account, in expectation of a return, I know I should be disappointed, and that I should in vain depend upon your gratitude. Here then I leave you to labour alone; you treat me in the same manner. The seasons change; and both of us lose our harvests for want of mutual confidence and security.

David Hume (2000)

Hume's parable illustrates a fundamental dilemma of collective action: to cooperate or not to cooperate. Rationally speaking, everyone might be better off by cooperating, but a lack of trust means that we fail to take advantage of the benefits and opportunities of coordination and cooperation.

One solution to this dilemma is found in the concept of social capital, understood as dense, horizontal networks of civic engagement and widely shared norms of trust and reciprocity. Social capital seems to be the driving force behind democratic practices and economic prosperity (Putnam, 1993; Harrison and Huntington, 2000; Fukuyama, 1995). In stable democracies with high levels of socio-economic development, associational life arises chiefly as the historical and almost natural result of the bottom-up accumulation of horizontal cooperation experiences among citizens. Willingness to trust, share and cooperate is closely linked to certain structures (such as organizations and associational membership) whose very existence demonstrates that the collective action dilemma has indeed been resolved. Attitudes and structures are therefore the two main elements in the social capital debate. Accordingly, the existence of a large number of organizations and high levels of associational membership tends to go hand in hand with high levels of trust (Putnam, 1993 and 2000).

Development actors have recognized the role that social capital and a strong, vibrant civil society can

potentially play in development processes¹ (Ostrom, 2001). Since the 1990s, international development actors like the World Bank and the United Nations Development Programme (UNDP), along with the European Union (EU) and national governments in the West, have clearly set out to strengthen civil society in developing countries (UNDP, 1993, p. 8; World Bank, 1994, p. i; Edwards and Foley, 1998, p. 38; Fowler, 2000, p. vii). The hope is that the civil society-based approach will prevail over development models based exclusively on the State or the market (Pieterse, 1996; Hulme and Edwards, 1997, pp. 4 and 5; Brett, 1996, pp. 5 and 6). And certainly, civil society organizations have become an important tool for increasing the effectiveness of anti-poverty policies and promoting social change, since their participatory approach to collective action has the potential to empower poor and vulnerable groups.

Recognition of the significant role of civil society has had some major repercussions. A significant proportion of development financing applications now come from civil society organizations. Donors' enthusiastic willingness to give priority to civil society has created opportunities for organizations to establish

¹ See, for instance, the World Bank website: <http://www.worldbank.org/poverty/scapital>.

themselves, grow, professionalize and extend their area of influence. Nonetheless, the large volume of organizations and associational membership that now exists might say more about strategic choices, financing opportunities and “associational entrepreneurship” than about any upsurge in cooperativeness in any given population. This view is supported by researchers analysing the extremely low levels of trust and the predominance of clientelism in developing countries. There is some scientific research to show that, on average, just 16% of Latin Americans trust their fellow citizens, while in Europe the proportion is 60% (Latinobarómetro, 2005, p. 32). Transparency International states that countries like Nicaragua have entered a situation of hypercorruption, equalled only in degree by the culture of tolerance towards those who fail to live up to their obligations.² Throughout the region, the shared inheritance of mistrust is reflected in social interaction patterns. Latin America seems to be characterized and dominated by verticalism and clientelism, and what this basically reveals are fragmentation and an inability to achieve horizontal cooperation (Gambetta, 1988; Latinobarómetro, 2006). All this appears to indicate that, where social capital is concerned, in situations of low socio-economic development there may be a separation or even contradiction between attitudes (trust and horizontal cooperation) and structures (associational vitality). At the political level, this could mean that the civil society-based approach may not necessarily be tied to the construction, generation and implementation of trust, horizontal cooperation and participation.

The main aim of this article is therefore to investigate whether, in a Third World setting, any relationship can be found between associational membership and the “attitudinal” components of social capital, as partly suggested by the literature.

To address the subject, the present article will attempt to answer a number of questions. Is associational life tied to attitudes of horizontal cooperation and trust, and does such horizontal cooperation exist? Or is it

tied mainly to vertical, clientelist access? In other words, what are associations promoting? Do they play an effective role as bringers of change, or do they merely posture against vertical, clientelist networks? As bringers of social change, they are expected to work against the logic of such networks, which keep the poor and vulnerable in positions of dependency. In an ideal development situation, aid channelled through organizations should foster and stimulate cooperative, dependable, inclusive and horizontal patterns of social interaction. Added to this, special attention should be paid to the poor and vulnerable, given the need to do something about their position of exclusion. It is therefore imperative to analyse whether organizations are reaching poor groups effectively.

The data presented here were collected in 1999 as part of the author’s own research in two Nicaraguan peasant villages: El Toro, with 103 families, and La Danta, with 74. In each village, 65 families were interviewed. First, organizations, membership structures and recruitment mechanisms were examined. Then, information was collected on informal horizontal cooperation mechanisms. The information gathered shows that organizations are heavily dependent upon local leaders and their informal networks, which suggests that they are probably reaffirming the social interaction patterns of the two villages rather than changing them. Their effectiveness in reaching the poor is also very largely determined by local networks. The data show that if these local networks already include poor groups, then the organizations reach them; if not, vulnerable groups remain beyond their field of action and development interventions.

It should be pointed out that the data collected do not serve to analyse the direction of causality, so the ambitions of this article are modest. A debate about causality would be useful if a significant link were found between organizations, trust and reciprocity. In the absence of any significant relationship, there is little to be said about causality.

² See <http://www.ibw.com.ni/~ien/c5-7.htm>.

II

Overview of associational life in the two villages

El Toro and La Danta are isolated peasant villages in the poorest area of the Chinandega region of Nicaragua, very near the border with Honduras. The two villages are very different. El Toro is one of the agrarian reform villages, as they are known in Nicaragua. These villages were originally organized as production cooperatives and received many benefits during the Sandinista regime in the 1980s. Following the electoral defeat of the regime in 1990, the cooperatives' assets (land and livestock) were privatized and divided up equitably among the inhabitants of the village concerned. In addition, inhabitants were often helped by national and international development agencies and non-governmental organizations (NGOs). The *comarca* (administrative district) of El Toro therefore already had high levels of socio-economic equality in the early 1990s, and its infrastructure is much more advanced than that of La Danta. El Toro has public wells, electricity, and more and better education and health infrastructure, while houses are made of concrete. La Danta, on the other hand, was not an agrarian reform *comarca*. Furthermore, assistance from the Sandinista government and NGOs was limited, if not completely lacking.³ As a result, the village lacks many basic amenities, it has no electricity or public wells, houses are made of mud and the school and health centre are in poor condition.

Having said that, the two villages have much in common. In both El Toro and La Danta, over 75% of the population depend on agriculture, while at the time the research was conducted about 40% of the farmers in both *comarcas* were landless, which means that both

villages have similar numbers of poor people. It is important to touch upon socio-economic developments in El Toro, which has moved from a fairly egalitarian situation (thanks to agrarian reform) to a more unequal one.⁴ Where socio-economic classification is concerned, the landless were categorized as the poorest group, farmers owning less than 50 hectares as the intermediate group and farmers owning 50 hectares or more as the elite group.⁵ In terms of political preference, participants were classified as Sandinistas (left-wing opposition), liberals (right-wing party currently in power) or no preference. As regards associational structure, both villages have a comparable number of organizations with similar characteristics. Each village has three special interest groups (unions, peasants' organizations), nine NGOs, four governmental institutions and a village committee (table 1).

All the organizations and institutions present in the two villages share the same participatory development perspective. They also have strong links with the outside world, as all of them have ties to the municipal authorities or the central government, national unions, regional development offices and national and international NGOs. The existence of these links is vital to all actors involved, as they can use them to channel tangible and intangible resources. The similarities between these organizations (participatory approach, developmental discourse and horizontal cooperation)

³ Interviews with project managers, government officials and NGO coordinators suggest that agrarian reform villages generally seem to find it more difficult to adopt cooperative, trusting behaviour than traditional villages. Those interviewed stated that the strong presence of the Sandinista party and national and international solidarity organizations in these villages had consolidated a "culture of non-reciprocity". They argued that the incessant inflow of benefits with nothing expected in return was partly responsible for the crisis in local relationships of reciprocity and cooperation. These issues are obviously only part of the picture and need to be researched rather than just assumed.

⁴ El Toro has gone in the space of a decade from a more or less egalitarian landowning structure to a quite unequal socio-economic situation. For reasons of space, this article will not examine the mechanisms involved in this development in any detail; suffice to say that lack of trust has helped to bring it about. This lack of trust means that "favours" and services are paid for in cash. Inhabitants therefore have to pay for access to certain services (land, oxen, information), and the poor in particular get further and further into debt and eventually have to sell livestock, land and other goods to clear their arrears. Some peasants have thus gradually descended into greater poverty. Again, agrarian reform, the Sandinista party and international solidarity all contributed to a culture of non-reciprocity during the 1980s.

⁵ Classification of the Nicaraguan Ministry of Agriculture.

TABLE 1

Nicaragua (two villages): Structure and membership of organizations

<i>Organizations</i>	<i>El Toro</i>	<i>La Danta</i>
Interest groups	2	3
Non-governmental organizations (NGOs)	7	6
Governmental institutions promoting project development	3	2
Village committee	1	1
Total number of organizations	13	12
<i>Membership</i>		
Families in the village with at least one membership (%)	44	60
Families in the village with more than one membership (%)	25	32
Average memberships per family	0.8	1.2
Local leaders participating (four leaders per village)	All	All
<i>Membership by political preference and socio-economic status of village families</i>		
Proportion of village families that are members, by political preference (%)		
Among Sandinista families	79	93
Among liberal families	31	36
Among those with no political preference	27	58
Proportion of families that are members, by socio-economic status (%)		
Elite (50 hectares or more of land)	57	80
Landowning peasants (less than 50 hectares)	84	68
Landless peasants	20	64
<i>Average number of memberships by political preference</i>		
All families	0.8	1.2
Sandinista families	1.7	2.2
Liberal families	0.3	0.5

Source: Prepared by the author.

contrast strongly with the theoretical divide between the State and civil society. Both governmental and non-governmental actors operate on the same terrain, organize the same kind of interventions and adopt similar approaches in the two villages. The similarities between the organizations are no doubt strengthened by the fact that they are all dependent upon donors and governed by donor guidelines.

To obtain a clearer picture of the characteristics of these organizations' members in the two villages, the families were divided up according to their political preferences and socio-economic level (see table 1).⁶

The large number of organizations and extremely high (and in some cases multiple) membership costs confirm that the inhabitants of both villages are quite well organized. Furthermore, all local leaders are involved in associational activities. The four local leaders in each village are Sandinistas and act as coordinators for the associations in their respective villages. Each leader coordinates at least three organizations.

Most of the participants in organizations in both villages seem to be in a relatively good economic position, being either members of the elite or landowning

⁶ When a farmer has to prepare a hectare of land for sowing, weeding alone could take up to 16 days if carried out single-handedly. Hiring a worker could halve the time taken to eight days, but would cost

about 1.25 dollars a day in worker wages (i.e., 10 dollars for eight days' work).

peasants. This fits the pattern seen in earlier research: associational activity tends to be found among those who are not extremely poor.

Other studies also indicate that membership, cooperation and trust seem to be particularly difficult for the poorest (Inglehart, 1988; Newton, 1999). From the development perspective, however, it is poor and vulnerable groups that associations ought to be reaching. In La Danta, indeed, the poorest group is actually well represented in associations, but in El Toro only 20% of this group participates.

In both villages, participants seem to share a political preference for the Sandinistas, a characteristic

that holds good when multiple membership is analysed. In both villages there were inhabitants with up to five memberships, most of them Sandinistas. Table 1 clearly shows that the average number of memberships is substantially higher among Sandinista inhabitants in both villages and lower among supporters of the Liberal party. The underrepresentation of liberals is marked in both villages, but in El Toro socio-economic status is an even more striking source of bias. Participation in both villages thus displays a structural bias. To understand the structure of non-participation, we will have to look at associations' recruitment mechanisms.

III

Explanation of preferences

The Sandinista bias in membership is closely related to the history of a large number of organizations in Nicaragua. In the 1980s, the Sandinista government encouraged and welcomed all left-wing associational initiatives. In the 1990s, however, there was an even bigger surge in the number of associations, most of them progressive.⁷ Although most of the country's left-wing organizations distanced themselves from the Sandinista party after its electoral defeat in 1989, this probably made no appreciable difference to local membership structures. In any event, given the history of the country, Sandinista overrepresentation in membership structures was only to be expected.

Another extremely important but often overlooked point is that organizations in developing countries always bring projects, and hence resources, into communities. Members seem to be the first beneficiaries of these tangible and intangible resources. In villages, some organizations use the "food for work" system.

Farmers, for example, are offered food in return for effectively introducing (new) farming methods and technologies, and are also given materials like wire netting, corrugated iron, insecticide spray pumps and machetes. Some organizations have supplied their members with production materials and financial help, others with valuable market information on sesame prices, which strengthens farmers' hand in negotiations with intermediate buyers. All organizations offer education through workshops and seminars. The volume of scarce resources managed by these organizations is quite impressive and the benefits of joining are tangible. If we consider that some residents of both villages accumulate up to five memberships then, surprisingly enough, the ideas of multiple membership and exclusion take on considerable economic significance. From the point of view of access to resources, joining becomes a privilege.

Informal networks strongly influence access to organizations, and thus access to resources is regulated through the direct and indirect ties that compose these networks. This turns resources into "social resources", as they are embedded in social networks (Lin, 1982, p. 132).

"Why haven't you joined an organization?"

"Because they won't let me."

"Who are they?"

"The leaders."

"What do you mean by that?"

⁷ Obviously the ideas of excessive trust and social control coincide with the debate about creating emotional ties and reaching out to social capital. Too much trust, especially when based on group belonging, can have quite a number of negative effects (see, among others, Woolcock, 1998; Portes, 1998; Granovetter, 1982). However, authors seem to agree that, whenever collective development is concerned, the existence of integration networks is always better than fragmentation and isolation (Woolcock, 1998). This article is therefore mainly centred on aspects of social capital relating to integration, horizontal cooperation and trust, which are seen as necessary but not sufficient conditions for democratic development.

"When an organization wants to do something here, like a project, they always arrange things with the local leaders, and they say: 'If you know any good people, hardworking people who want to get involved, get them together and we'll start the project.' So the leaders decide who is going to be in the group and they always pick the same ones."

"Would you like to join?"

"Of course... they're getting benefits and we never get anything..."

(Farmer in La Danta)

The above conversation and the remarks quoted below are excerpts from interviews conducted by the author. The above reflects the most widely held view in these villages. Non-participants feel excluded from associational life, and thus from access to resources. Membership is the strategy that secures access to these. For this reason, organizations can create conflict among local inhabitants as these seek to enter networks to get access to resources. The interviews revealed tensions within the villages, because some inhabitants were systematically included while others were left outside the associational structures. Organizations and local leaders themselves confirmed the importance of the latter's role when it comes to recruiting members:

"Yes, I take charge of selecting the people who are going to be working on the project. Sometimes the organization puts forward requirements like age or sex or the amount of land they have to own. Of course I follow their instructions and then I pick the people I know best, people I can trust. I can't make myself responsible for people I don't know, because if they 'screw up' then the organization will blame me and I will lose the contact."

(Local leader in La Danta)

Coleman (1990, p. 182) argues that leaders can be seen as occupying the position of brokers. A number of trustors (organizations) rely on these brokers to deploy resources properly among the trustees (members), who then work collectively to secure the benefits of the activity (project). The fact that local leaders are responsible for selecting members simultaneously decentralizes project execution and administration to those leaders. It seems, however, that this approach has advantages for the organizations themselves, as they are able to hold down their transaction costs by falling back on existing social networks of trust. This

tendency to use social capital to carry projects through is a cause for concern, especially when organizations make use of existing networks without questioning their composition, structure and content, since they may in fact be vertical, i.e., they may be clientelist dependency networks. Essentially, this instrumental use of trust in the analysis and practice of development tends in the same direction as the thinking of the pragmatic school of social capital, which treats such capital as an instrument for mobilizing resources.

Networks are thus used to enhance effective control over project execution through a manageable group (a few local leaders); these leaders can be held responsible and penalized by the withdrawal of projects (and thus resources) from the community. In order to avoid this, leaders will deploy all their power resources to ensure completion of the project. This means that their power as brokers will probably be supplemented by power as providers of access to their personally owned resources (land, oxen, small amounts of money and food).

The more resources individuals control, the more hierarchical the position and the more hierarchical access to the organization will become. Those wishing to access these personal and social resources will have to offer compensations and reciprocity (Lin, 1995, pp. 687 and 688). Furthermore, those obtaining such access will be indebted to those providing it. This limits horizontal control, accountability, empowerment and genuine participation —the very goals that the civil society-based approach is meant to pursue. The power differences between organizations and local leaders, and between local leaders and the inhabitants, are just too large. At best, then, participation suits those above but penalizes those below. The available evidence suggests that the tendency in these cases is rather towards clientelism than towards genuine participation. This indicates that involvement in associational life has more to do with the mechanisms of clientelism than with a horizontally acting cooperative spirit. This being so, associations cannot credibly be regarded as a manifestation or source of the "attitudinal" components of social capital.

We have seen that the strong Sandinista bias observed can be explained by the historical evolution of the political opportunities that have moulded the character of associational life, having been created and nurtured mainly in Sandinista leadership structures at the local level. The consequence is that liberals cannot derive benefit from associational opportunities. These mechanisms do not, however, explain why

local leaders in La Danta select the poorest peasants to join associations, while those in El Toro do not. Not selecting the poorest peasants could be seen as wholly rational, since unreliability, mistrust and the abandonment of responsibilities could be expected to be more common in the lowest socio-economic classes (Inglehart, 1988, p. 1213; Newton, 1997, p. 181). The poor also tend to have low expectations of those around them and the world in general (Newton, 1997): they have more to lose and tend to scrutinize possible risks very closely because the rewards are uncertain and the

risk of being let down is real. Thus, the recruitment behaviour of leaders in El Toro seems to follow this logic, even if it is to the detriment of the development goals of the civil society-based approach promoted by donors, since resources do not reach the poorest groups. In La Danta, on the other hand, resources do reach many of the poorest strata, but the question is why local leaders risk involving themselves with this seemingly unreliable group. The structure and content of local informal networks may provide the answer.

IV

Informal cooperation networks

According to Coleman (1990), the emergence and enforcement of norms is facilitated by the “closure” of networks. Such closure enhances the trustworthiness of social structures, thereby allowing obligations and expectations to proliferate. Otherwise it might be difficult to impose sanctions. Conversely, open networks lack these enforcement mechanisms.

To return to the subject of informal networks in the two villages under consideration, this article will seek to ascertain whether it is possible to find horizontal forms of cooperation in these generally vertical societies, and will analyse the way these relate to the more clientelist dimension of associational life. The idea is to investigate forms of cooperation that approximate to the horizontal, voluntary aspect of social capital. In both villages, such horizontal cooperation has taken the form of farmers exchanging labour with their neighbours. This cooperative arrangement is known as *cambio de mano* (“work swap”). In its simplest form, this informal rural sharing mechanism means that farmer A helps farmer B for a few days on the latter’s land and then farmer B returns the favour by working for a few days on farmer A’s land.

This mechanism offers considerable savings in an environment where money is extremely scarce and labour extremely costly. Cooperative networks of this kind are thus of great importance for the poorest peasants, as they save them a great deal of money. The rational thing to do is therefore to engage in these forms of cooperation, unless there is a lack of trust. Trust is fundamental here, since there is always a time lapse before the favour that has been done is

returned, so the risk of being let down is real. The farmers interviewed explicitly stated that trust played a vital role in this mechanism, especially in the case of more complex forms of *cambio de mano* involving more than two actors.

The mechanism of trust in this type of *cambio de mano* basically works as follows: person A, who provides the service, trusts beneficiary B

- (i) to acknowledge that he owes something to A, and
- (ii) to execute one or more services in return (comparable in amount and/or quality with the service or services provided by A).

It is important that A not have to apply pressure to receive a service in return. If A has to invest time and energy in cajoling B to return the favour, the relationship might become strained. This mechanism is inherently delicate. Participants spontaneously offer one another favours and services “in return”, but without overloading the other party with demands or obligations. If after some time the parties involved feel that no-one is trying to “have their cake and eat it”, these cooperative arrangements may eventually evolve into complex, many-faceted support mechanisms in which all those concerned can benefit from the capabilities, knowledge and relationships of the other members of the cooperative community.

Participants in *cambio de mano* arrangements argue that, in principle, their “job for job” relationship involves an “equal swap”. Symmetry between the actions of those involved is vital in this relationship. If one of the parties started to neglect the obligations

deriving from it, trust and reciprocity might start to break down. Failure to live up to expectations can have direct consequences. Again, the accountability mechanism in relationships of this type is informal and horizontal. To keep the relationship alive, it is necessary to attend to the mechanism that ensures its horizontality: the equality of rights and obligations.

Table 2 shows that only 35% of families in El Toro are involved in *cambio de mano* relationships, while in La Danta the proportion is 78%. This indicates that the great majority of people in La Danta are cooperating horizontally with one another. An important characteristic of networks is whether or not they are connected. Actors in a disconnected network may be grouped into two or more sub-networks that are not linked with each other. Thus, the more sub-networks a network has, the more disconnected it will be (Wasserman and Faust, 1994, p. 109). We can see that, in La Danta, a very large group is organized into just five sub-networks. In El Toro, on the other hand, a small group of farmers is organized into 10 disconnected sub-networks. Sub-networks do not, however, provide specific information about the density of networks. In a dense network, there is a path between every pair of actors, which means that all actors are mutually

accessible. The accessibility coefficient thus equals 1, the maximum value. The coefficient is 0.59 in La Danta and 0.12 in El Toro. Network analysis has also shown the average number of *cambio de mano* relationships to be significantly higher in La Danta than in El Toro. This means that not only are more families in La Danta involved in *cambio de mano*, but each family also averages more relationships of this type with other families. Furthermore, all associational leaders in La Danta are involved in *cambio de mano* arrangements, whereas in El Toro not one local leader has cooperative relationships of this type with villagers.

Generally speaking, there is a considerable amount of horizontal cooperation and trust in La Danta. This high density indicates near-closure of networks, and this makes them more effective in terms of compliance with norms of reciprocity. Considering the number of families involved and the fact that local leaders are subject to the same norms of accountability, the village of La Danta seems to be less hierarchical and more inclusive and integrated, and to have more horizontal trust and reciprocity, than El Toro. Furthermore, the presence of local leaders in the cooperative networks of La Danta suggests that they are subject to internal social control mechanisms. In El Toro, the absence of

TABLE 2

Nicaragua (two villages): Structure of informal cooperation networks and member characteristics

<i>Network structure</i>	<i>El Toro</i>	<i>La Danta</i>
Village families involved in network (%)	35	78
Number of sub-networks in the village	10	5
Accessibility coefficient	0.12	0.59
Average number of <i>cambio de mano</i> arrangements per family	0.6	1.8
Local leaders participating	None	All
<i>Characteristics of member families</i>		
Participation of village families by political preference (%)		
Sandinistas	55	89
Liberals	31	80
No preference	40	63
Participation of village families by socio-economic status (%)		
Elite (50 hectares or more of land)	29	80
Landowning peasants (less than 50 hectares)	55	88
Landless peasants	40	71

Source: Prepared by the author.

associational leaders from the informal cooperation network might indicate that they are not subject to horizontal accountability mechanisms, to the fair swap rule, or to mutual expectations and obligations. Social oversight of deviant behaviour would therefore appear to be much easier in La Danta than in El Toro.

The actors involved in both villages seem to be mainly Sandinistas and landowners. These data coincide with the profile of participants presented earlier. There is, however, a rather odd discrepancy. Whereas liberals in La Danta were very much underrepresented in the membership structure, no less than 80% of the liberal group is involved in this cooperative network (table 2). Similarly, whereas landless peasants in El Toro are almost totally absent from associational life, in La Danta we find that about 40% of such peasants are informally cooperating in *cambio de mano*. Cross-checking of the data on associational life against the data on cooperative relationships revealed the following pattern: in El Toro, half of all families not involved in formal participation structures do practise *cambio de mano*, as do half of all families that are involved in these formal structures. In La Danta, 20 of the 29 families not involved in formal structures practise *cambio de mano*, and so do 34 of the 41 families that are thus involved.

V

Conclusion

The existence of a large number of associations with high levels of membership is not necessarily indicative of trust, reciprocity and horizontal cooperation. Associations do not always constitute a structural representation of the “attitudinal” components of social capital. Both the villages studied score similarly on associational life, yet in El Toro there are just a few small groups cooperating horizontally, whereas many people participate in horizontal networks in La Danta.

In both villages, associational life has proved to be subject mainly to clientelist patterns of interaction: actors attempt to gain access to resources via local leaders, who act as brokers between organizations and inhabitants. But a very different picture emerged when informal cooperation networks were studied: this approach brought us much closer to the “attitudinal”

It can be said, then, that associational life is not necessarily linked to the “attitudinal” components of social capital. It transpires that the groups which were found to be underrepresented in the formal structures of participation in associational life are very much present in horizontal cooperation networks. In neither case does formal participation in associational activities and development processes seem to have much connection with the cooperative spirit. Both the recruitment mechanisms used and the data on cooperation structures requiring membership are indicative of divergence between the two phenomena.

More importantly still, it transpires that the strong presence of the poor in the networks of La Danta reduces the risk of non-compliance with associational obligations. Because the networks provide an environment in which reciprocity is generally expected, the leaders can include the poorest without there being a great risk of major non-compliance problems. The fact that large numbers of the poor are active in horizontal networks (especially in La Danta and to a lesser extent in El Toro) seems to call into question the traditional view of Latin America as a place where the poorest remain marginalized, isolated, unorganized, rather fatalistic and dependent on wealthy patrons (Huntington and Nelson, 1976).

components of social capital, and we saw that the two villages differed considerably in terms of horizontal cooperation. If we had relied on the apparent relationship between associations and social capital, we would have concluded that both scored more or less the same on social capital.

This discovery of the mechanisms associated with *cambio de mano* networks reveals that these might be an alternative indicator for the horizontal, voluntary cooperation dimension of the social capital concept. It is necessary to find indicators of this kind in order to deconstruct the complex concept of social capital and its normative assumptions (Edwards and Foley, 1998), especially in developing countries, since the policy implications can be significant.

As was stated earlier, high hopes surround the civil society-based approach to development cooperation.

Donors hope that organizations can forge social change by working against the vertical, clientelist grain and encouraging the inclusion of poor and vulnerable groups. The most recent forms of development cooperation have clearly opted to give a very important place to civil society organizations in the poverty reduction process (Fowler, 2000; Tikare, Youssef and others, 2002; Booth, 2003). However, the facts presented here show that these objectives are somewhat simplistic, especially when held up against the complex realities faced by developing countries. We have seen that, in the case of Nicaragua, the associational landscape is not as pluralistic or as inclusive as is usually supposed. The idea of strengthening civil society so that it can forge social change may therefore be contradictory, as the very elements that stand in the way of social change may be entrenched in the workings of civil society.

The history and evolution of political opportunities colour the current composition of civil society and the local membership structure. We have seen that, in both the villages considered, certain groups (local Sandinistas in this case) are more organized than others, obtain access to organizations more easily and have leadership structures that are supported by some originating from outside the area (in the city, the capital or abroad). Organizations decentralize their operations by transferring power to local leaders, who can then choose the participants and distribute resources. Thus, the effectiveness of the development efforts made by organizations seems to be largely determined by the local structure of the informal networks which sustain and reinforce them. If these informal networks are reasonably inclusive, horizontal, dense and governed by accountability mechanisms, and if they include leaders and their followers, both rich and poor (as in La Danta), then they will make a contribution to what the associations are supporting, developing and encouraging. However, if networks are exclusive and clientelist, then the associations and their projects will also be contributing to that type of social organization. Seen in this light, "participation" may reproduce and reinforce the domination of leaders and elites (Kapoor, 2004, p. 2, and 2005, p. 1210).

The participation of local leaders in informal cooperation networks prevents them from abusing their position of power, as they are subjected to internal mechanisms of social control through dense networks. Thus, networks in La Danta promote integrity (Coleman 1988 and 1990), but in El Toro this is not the case. Local leaders in the latter do not participate in horizontal cooperation networks, the

networks themselves are quite fragmented, and only a small number of people participate in them; in Coleman's view, this indicates the difficulty of creating an environment of trust where norm compliance and reciprocity can be maintained. Thus, when associations have to relate to environments like El Toro, they are effectively institutionalizing verticalism and clientelism and reinforcing the unchecked power of leaders. It is therefore obvious that, in both villages, horizontal and trust-based relationships are much more likely to be found in informal than formal networks. It thus seems very unlikely that the latter can be regarded as sources of trust. In both villages there are groups that cooperate horizontally and have relationships of trust even though they do not have access to associations, either because they have the wrong political preference (as in La Danta) or because they are not connected with local leaders (as in El Toro), since the latter are absent from horizontal networks. The trouble is that organizations also consolidate and institutionalize this exclusion. The biased structure of participation is probably due mainly to biases in informal networks, something that is indicative of divisions. Divisions are not an issue in themselves as long as all groups can obtain access to scarce resources within their respective structures. This is not the case in the villages studied, however, because the associational landscape is not diversified enough, or because organizations lack the capabilities, time or resources to carefully study the places where they may become active.

These considerations bring us to some policy recommendations. First of all, the civil society-based approach within development practice is in urgent need of a critical review. The romantic, positive connotations surrounding the role, function and effects of a large and vibrant civil society in relation to democracy and economic development may prove simplistic or downright wrong in developing countries. The one-size-fits-all approaches often imposed by donors ignore the idea that context matters. Thus, it seems utopian to wish to create social capital as though it were just another resource, an outcome to be expected from investment in a particular instrument.

When the context is taken into account, some questions and observations arise. Stimulating civil society organizations does not necessarily promote those attitudes that we tend to associate with social capital. If the consolidation of civil society is so vital, is it not also vital to support the diversification of civil society, or do we have to take it as it comes? Is participation a good tool in any context? To reach

the poor in fragmented, clientelist and mistrustful populations, it might be necessary to confront certain leaders or force them to compete. The solution to this problem will probably have to be top-down, involving the imposition of transparent selection or inclusion criteria. Only in this way will it really be possible to work for the benefit of the weakest groups (Van der Linden, 1997; Vandana, 1996). In other words, if the inclusion of certain groups is not a spontaneous bottom-up process, it must be established and overseen from above. This implies effective, top-down imposition and implementation of transparent mechanisms in organizations and development interventions, including sanctions when commitments are not kept to.

Such, ironically enough, is the contradictory conclusion of this research: institutionalizing distrust is the only way to counteract clientelism and arbitrary exclusion. Thus, creating trust and thence social capital depends on the transparent working of institutions, projects and interventions, and on the possibility of

preventing and punishing clientelist abuse of resources. Accordingly, donor organizations (both governmental and non-governmental) should not hand over all the power to their local intermediaries (leaders), but should keep a much tighter rein on the use of resources and the mechanisms of inclusion and exclusion.

All these observations point to the need for more development-inspired research. In the first place, it is important for there to be preliminary studies of the locality concerned to ascertain the composition of a given community and the relationship between its different groups. It seems imperative to avoid consolidating the positions monopolized by leaders, to diversify sources of information and to increase the chances of reaching truly poor and vulnerable groups. Determining how far the networks of leaders penetrate and what their inclusion and access criteria are might also tell us where the real development work ought to begin.

(Original: English)

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